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Peres warns Hussein: Make peace or pay

Post Diplomatic Correspondent
Prime Minister Peres declared yesterday that Israel is proposing peace talks with its neighbors "not as a tactical ruse but because (peace) is a real and serious need for all the nations of the Middle East."

The prime minister's statement came in response to King Hussein of Jordan's rejection yesterday of his peace overtures.

"All who reject peace will have to pay the price some day for its rejection," Peres declared.

In spite of Hussein's negative attitude, Israel would continue "to believe in peace and to stand for peace, and to propose negotiations without preconditions to all of its neighbors."

Peres said it is "inconceivable" that Jordan's conditions for peace talks are that all of its demands be accepted before such talks even begin.

Referring to Hussein's reference to 1967 and its aftermath, Peres said that Jordan had "attacked Israel on



King Hussein addresses the Jordanian parliament yesterday. (UPI telephoto)

Senior cabinet ministers are discussing how to restrict or suspend imports, without breaching international commitments. This was learned following the revelation that the nation's foreign currency reserves had further shrunk in September to an amount which can pay for a mere 40 days of imports.

Treasury officials at the same time were drafting an amended form of former finance minister Aridor's dollarization scheme. This would mean that prices of goods and services within Israel would be listed in dollars with

payments being made in shekels. The argument is that this would make it easier for the government to control prices.

Meanwhile, the Liberal Finance Minister Yitzhak Moda'i hit back at his Herut critic Deputy Prime Minister David Levy saying he had sabotaged every government effort.

The good economic news of the day was that the Bank of Israel was not called upon to print extra shekel notes in September, for the first time in 18 months.

Jordan rejects peace call

Post Middle East Reporter and agencies
Jordan's King Hussein yesterday spurned Israel's latest call to join the peace process, describing this as a "subterfuge and a deception."

In a hard-hitting speech marking the opening session of the Jordanian parliament, Hussein also criticized Washington's Middle East policy, and repeated Jordan's support for an international peace conference that would bring both superpowers into the negotiations.

On his decision to restore diplomatic ties with Egypt last week—becoming the first of the 17 Arab states that severed relations with Cairo in 1979 to do so—Hussein said that keeping Egypt out of the Arab "mainstream" could "only fulfil the enemy's expectations of weakening the Arab body."

He expressed the hope that other Arab states would soon follow his lead, and he deliberately refrained from taking issue with those states, led by Syria and Libya, which had criticized his move.

Hussein's comments about Israel came in response to Prime Minister Peres' statement September 13 inviting the Jordanian king "to come to the negotiating table in order to

NEWS ANALYSIS/David Bernstein Hussein—a feint or a new direction

King Hussein's speech in the Jordanian parliament yesterday shocked those who assumed that his decision last week to restore diplomatic ties with Egypt signalled a move towards peace with Israel.

Not only did he dismiss as "subterfuge and deception" Israel's latest call to join the peace process, but he explicitly ruled out any possibility of territorial compromise. This theme was also taken up by his UN ambassador when he addressed the General Assembly in New York yesterday.

The king appeared to rule out participation in any U.S. peace initiative, preferring instead an international initiative, ideally under UN auspices, that would bring both superpowers into the peace process—another theme taken up in the General Assembly yesterday.

As for the restoration of diplomatic relations with Egypt, the king was at pains to stress that this by no means implied his acceptance of Camp David—this was explicitly denied by Jordan's information minister last week—but rather, was designed to bring Egypt back into the Arab camp and in this way

Dollarizing again under discussion

By AVI TEMKIN
Post Economic Reporter
Senior Treasury officials are convinced that a programme of monetary reform, possibly including dollarization, must eventually be implemented.

The officials have said that there is no alternative to a reform, given the government's loss of control over economic developments. They added that officials on the decision-making level, including several ministers, opposed the idea and have prevented it from being discussed.

The officials added that at the Bank of Israel there is still opposition to dollarization, since there is concern that the public may take advantage of the plan to finance purchases of huge amounts of foreign currency, using savings and other financial assets.

One alternative that has been mentioned in internal discussions at the central bank and the Treasury (Continued on Page 2, Col. 6)

As reserves dive again Treasury moots ban on imports

By AVI TEMKIN
Post Economic Reporter
The Treasury was yesterday considering imposing limitations on imports, including a temporary ban on imports of consumer durables.

This development followed the report released earlier in the day by the Bank of Israel that the country's foreign-currency reserves fell \$323 million last month.

Imposing limitations on imports was discussed yesterday evening by Finance Minister Yitzhak Moda'i and Industry and Trade Minister Ariel Sharon. There is serious concern as to the possible repercussions of this proposal abroad, especially in countries with strong commercial ties with Israel.

The central bank said the level of reserves stood at \$2.088 billion at the end of September, but this official figure includes some \$325m. transferred to the reserves by a Treasury and Bank of Israel bookkeeping exercise by means of a change in the liquidity requirements of foreign residents' accounts. Without this exercise the reserves would have totalled \$1.763b. at the end of last month.

According to economic observers, the latest drop in the foreign-currency reserves puts Israel in a very delicate position. The reserve level of \$1.7 billion means that Israel has sufficient foreign currency to finance imports for only 40 days. In the past the figure of \$3b. was considered to be the "red line" for reserves, since it could finance two months of imports.

Bank of Israel and Treasury officials said that last month's drop in (Continued on Page 7)

No Lebanon solution in sight, according to defence sources

By HIRSH GOODMAN
Post Defence Correspondent
Senior Israeli defence officials last night warned against "exaggerated optimism" regarding U.S. Under-Secretary of State Richard Murphy's attempts to bring about a settlement in Lebanon.

The overall assessment of the defence establishment, which at its upper echelons has been preoccupied with the issue for the past 10 days, is that any settlement with Syria on Lebanon is going to take months of negotiations.

"We are not even sure what we are speaking about and who the parties to such a settlement would be," a senior defence source told *The Jerusalem Post* last night.

He stressed that at present initial feelings had been sent out and that the feedback was encouraging. But,

Mubarak orders prices cut

CAIRO (Reuters).—President Hosni Mubarak has ordered a cut in prices of butter and spaghetti, increased production of cheap bread in poor areas and ordered a freeze on prices of goods manufactured by the public sector, the Egyptian Middle East News Agency (Mena) reported yesterday.

It was not immediately clear whether the move was related to Sunday's demonstrations against rising prices in the Nile Delta town of Kafr el-Dawwar where three people died in riots, according to eyewitnesses.

Mubarak has been trying to grapple with the thorny issue of subsidies on basic commodities which are a heavy drain on the economy. The government last month announced higher prices for wheat, sugar,

NEWS BACKGROUND/Michal Yudelman and Roy Isacowitz Levy angling for Histadrut popularity

TEL AVIV.—Control of the Histadrut is the objective behind Deputy Prime Minister David Levy's recent attacks on Finance Minister Yitzhak Moda'i and the handling of the economy.

With Histadrut elections due no later than next April, the Likud and the Labour Party are gearing up for a battle for control. Levy, who headed the Likud faction in the Histadrut before joining the cabinet, is expected to once again lead the Likud challenge.

At Sunday's cabinet meeting, Levy slammed Moda'i for abandoning the proposal for a 10 per cent income surtax and for initiating economic steps that were bound to push inflation up.

Senior Labour Party sources said yesterday that Histadrut Secretary-General Yisrael Kessar's urgent meetings with Prime Minister Shimon Peres and Finance Minister Yitzhak Moda'i last Wednesday dealt mainly with the question of how to prevent Levy from obtaining hegemony in the Histadrut.

According to the sources, Peres and Moda'i pressured Kessar to agree to a "national unity" arrangement with the Likud in the Histadrut central committee and the management committee of the Havat Ha'ovdim—even at the expense of the Labour-Mapam partnership in the Histadrut.

Histadrut Labour and Mapam sources discounted that version of Wednesday's talks, however. They pointed to Kessar's frequent rejection of any partnership with the

The strange case of the missing emigration office

By JUDY SIEGEL
Jerusalem Post Reporter
The extensive files of the government's Office to Prevent Emigration were packed up this week and hauled away to the State Archives.

The office was closed, and its three staff members were told to go home. But at the same time, a new minister was charged with the responsibility for preventing emigration.

Dov Shilansky, a former deputy minister in the Prime Minister's Office was in charge of the office for three years, and learned of the shut-down from the news media. The Treasury's plan to abolish the re-

Today's Perkis nail-biter to decide Davis Cup tie

By JACK LEON
Post Sports Reporter
The slim shoulders of Shahar Perkis bear a heavy burden this morning. The shy, unassuming young man from Haifa carries Israeli hopes as he seeks to impress upon the Soviets the mounting power of local tennis.

After Shlomo Glickstein lost another marathon match yesterday, enabling the Soviet Union to square the Davis Cup zone final series at two matches all, Perkis' contest against Aleksander Zverev is tantalizingly poised at one set apiece and 6-6 in the third set. The deciding rubber was halted by inadequate light last night, and the European

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The Family

The weather at major Swissair destinations

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CHICAGO	12-14	16-18
COPENHAGEN	11-13	15-17
FRANKFURT	11-13	15-17
GENEVA	11-13	15-17
HONG KONG	24-26	28-30
JERUSALEM	11-13	15-17
LONDON	11-13	15-17
MADRID	11-13	15-17
MONTREAL	11-13	15-17
NEW YORK	11-13	15-17
OSLO	11-13	15-17
PARIS	11-13	15-17
ROME	11-13	15-17
SAPPALE	11-13	15-17
STOCKHOLM	11-13	15-17
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THE WEATHER

Forecast: Cloudy	Yesterday's Humidity	Yesterday's Min-Max	Today's Min-Max
Jerusalem	46	16-29	30
Golan	20	21-32	32
Nahariya	20	21-32	32
Safed	20	21-32	32
Haifa Port	20	21-32	32
Tib rias	46	20-34	34
Nazareth	60	20-33	33
Afula	63	22-34	34
Shomron	62	18-32	32
Tel Aviv	71	24-28	28
B-G Airport	65	22-30	30
Jericho	24	22-34	35
Gaza	74	24-28	28
BeerSheva	45	21-31	32
Eilat	34	24-35	35

SOCIAL & PERSONAL

President Herzog was the host at a party at Beit Hanassi yesterday marking the 75th anniversary of the founding of Tel Aviv. Mayor Shlomo Lahat, who was one of the guests, gave the president the key to the city.

Chief Rabbi Avraham Shapira and Mordechai Elihu were the guests of Histaadrot secretary-general Yitzhak Kessar at a reception at Histaadrot headquarters in Tel Aviv yesterday.

ARRIVALS

Ella Lewis, honorary national president, and Gertrude Goldberg, honorary national treasurer of Amik Women (formerly American Mizrahi Women), to attend the scholarship dinner of Amik Women at the residence of U.S. Ambassador and Mrs. Samuel Lewis in Herzl's Plaza.

Menahem Honig, 71, artist and engraver

Jerusalem Post Reporter
Menahem Honig, a graphic artist and master engraver who designed the State of Israel's first identity card, died yesterday at Wolfson Hospital in Holon at age 71.
Honig came to Tel Aviv from the U.S. in the early 1940s. He is survived by his wife, his daughter Sarah, *The Jerusalem Post's* political reporter, and her daughter Nili.

Man shot in fight with wife

HAIFA. - A man was shot in the hand during a quarrel with his wife at their home on Derech Hayam in Western Carmel here yesterday afternoon, police reported.
The police spokesman said it was not known whether the wife or husband fired the pistol.
The husband was lightly injured in the right hand and was taken to hospital for treatment, while his wife was held by police for questioning.

Basketball

National League results last night:
Maccabi Haifa 92, Hapoel Ramat Gan 86
Hapoel Tel Aviv 80, Hapoel Holon 78
Maccabi Tel Aviv 89, Hapoel Gan Shmuel 75
Maccabi Ramat Gan 89, Betar Tel Aviv 80
Hapoel Afula 114, Hapoel Kiryat Gat 83

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2 TESHUVA SICHOT
Tuesday, Evening, Oct. 2, 8.30 p.m.
Rabbi Shmuel Jacobovitz
Menahel Ruchani
YOM KIPPUR SICHOT
Thursday, Evening, October 4, 6.00 p.m.
Rabbi Nossan David Rabinovich
Rosh Hayeshiva
All Are Welcome

Israel Airports Authority
Notices to the Public
Rafiah, Nitzana and Taba
Frontier Crossing Stations
From Monday, October 1, 1984, the Frontier Crossing Stations between Israel and Egypt will be open to the public during the following hours:
Rafiah Station - 5.30 a.m. - 5 p.m.
Taba Station - 7 a.m. - 3 p.m.
Nitzana Station - 8 a.m. - 4 p.m.
On October 5, 1984 (new Yom Kippur), all Frontier Crossing Stations will close at 11.30 a.m. The Stations will reopen for public use on Sunday, October 7, 1984 according to the above schedule.

HOME NEWS

Shamir meets Shultz, no mediation request

By WALTER RUBY
Jerusalem Post Correspondent
NEW YORK. - Foreign Minister Yitzhak Shamir yesterday told Secretary of State George Shultz that Israel is eager to withdraw from Lebanon "as soon as possible, on the condition that there are sufficient security measures."
During an hour-long meeting at the Plaza Hotel with Shultz in preparation for his visit next week to Washington with Prime Minister Peres, Shamir said he had spoken to the secretary of state about such issues as "relations between the U.S. and Israel, the problems of Lebanon, and the condition of the Israeli economy."
Asked after the meeting if he had asked the U.S. to mediate between

Israel and Syria on Southern Lebanon, Shamir replied, "No, not yet."
Shamir said he plans to meet today and tomorrow with U.S. Undersecretary of State for Middle East Affairs Richard Murphy to get a report on Murphy's recent discussions in Damascus and Beirut.
Shamir said he discussed in general terms with Shultz the security measures the Israeli government has taken, and stressed that the effort to improve Israel's economy is one of the central purposes of the government of national unity.
Stating that he "did not know" what specific economic measures the U.S. might be willing to take to help Israel, Shamir said, "You know that the U.S. has a great desire to help with this problem."

'Only U.S. can mediate peace'

By WOLF BLITZER
Jerusalem Post Correspondent
WASHINGTON. - The Reagan administration yesterday said that only the U.S. has the ability to mediate a settlement in the Middle East.
Deputy Secretary of State Kenneth Dam said that "the United States alone has the power, the will and the confidence of the parties to give peace a chance in the Middle East."
He spoke just as another U.S. official privately made clear the administration's opposition to the Soviet proposal for an international conference on the Middle East.
The official, who asked not to be identified, said the U.S. sees no useful role that such a conference could have, especially because the Soviet Union has refused to re-establish diplomatic relations with Israel.
Last week's meeting between Foreign Minister Yitzhak Shamir

and Foreign Minister Andrei Gromyko, U.S. and Israeli officials said, apparently did not herald any basic change in Soviet policy. At that time, Israel, too, rejected the Soviet call for an international conference.
Assistant Secretary of State Richard Murphy, just back from his Middle East journey, is due to meet today with the visiting director-general of the Israeli Foreign Ministry, David Kimche. Undersecretary of State for Political Affairs Michael Armacost will participate in the session, which State Department officials said was requested by Israel.
Kimche, who will be accompanied by Ambassador Meir Rosenfeld and the deputy director-general of the Foreign Ministry, Hanan Baron, has come to Washington at the invitation of President Reagan's special task force on international private enterprise which is exploring ways to promote economic development of the Third World through private channels.

Ministry in hands of acting officials

Post Diplomatic Correspondent
The Foreign Ministry this week is in the hands of an acting minister and an acting director-general.
In a rare coincidence of overseas engagements, the ministry finds itself bereft of Minister Yitzhak Shamir - who is at the UN and will join Premier Peres next week in Washington; director-general David Kimche - who is in Washington to attend a conference on international

cooperation; and deputy director-general Hanan Baron - who is also in the U.S. to help prepare the premier's visit.
Acting foreign minister Moshe Arens was in the office yesterday to receive a group of European parliamentarians.
The day-to-day management of ministry matters is in the hands of the senior assistant director-general, Yeshayahu Anug.

Defence official to U.S. tomorrow

Post Defence Correspondent
Defence Ministry Director-General Aluf (res) Menahem Meron will leave for the U.S. tomorrow in advance of Prime Minister Peres's forthcoming visit to Washington.
Meron's chief mission will be to ensure that no portion of America's military aid package to Israel is diverted to economic aid. Such a move has been reported to be one of the government's aims.
A senior defence source told *The Jerusalem Post* last night that Israel's entire military aid package for next

year has been committed to weapons systems already contracted for by the ministry. It is unthinkable, the source said, that after the defence establishment agreed to comply with a \$300 million cut in local spending over the next 12 months, that it be expected to make sacrifices on the crucial aid package.
Meron will help plan Peres's itinerary and coordinate discussions between the Premier and President Reagan on all issues pertaining to strategic cooperation. Meron chairs the Israeli delegation to the strategic cooperation talks with the U.S.

Bar-Lev says improvements needed at Nablus prison

By ROBERT ROSENBERG
Jerusalem Post Reporter
The Prisons Service will wait for an "improved atmosphere" at the Nablus high security prison before undertaking some of the improvements that Police Minister Haim Bar-Lev favours. Prisons Service sources said last night.
During a tour yesterday in the new jail Bar-Lev termed most of the demands of the 673 Arab security prisoners to be "political." But he conceded there are problems of overcrowding, visitation rights and other "technical matters" that can be solved.
Bar-Lev noted that the security prisoners have been on a partial hunger strike, not a full hunger strike.
Prisons Service sources said that the minister's promises to correct the

technical problems, which Bar-Lev attributed to the recent opening of the jail, would be taken care of once the partial strike was halted. The sources were pleased that Bar-Lev agreed that some of the prisoners' demands - such as participation in certain aspects of administration and open cell blocks during the entire day - were "absurd and ridiculous."
But some Prisons Service sources also seemed dismayed that the new minister had agreed to improving some conditions (the minister spoke of problems of overcrowding and visitation) without first demanding that the prisoners halt the strike.
Indeed, the Prisons Service made it clear that until the end of the partial hunger strike - which has left the prisoners eating a concentrated cereal containing 2,200 calories instead of cooked foods - nothing will be done with regard to those "technical matters" referred to by the minister.
Bar-Lev also visited Tel Mond, where the accused Jewish underground terrorists are being held during their trial. He said afterwards that they are not getting better conditions than anyone else.

Gravestones smashed

A number of gravestones in the Cemetery of the Knights Templar in Jerusalem's German Colony have been vandalized, and several have been smashed. No motive was apparent.
This is not the first time the cemetery has been vandalized, police said



Druse sheikh Na'im Hinnu (left) is inducted as a kadi (religious judge) at a ceremony yesterday at Beit Hanassi. With Hinnu is Nissim Dana, head of the Druse department at the Ministry of Religious Affairs. Hinnu, 43, graduated from Bar-Ilan University after completing his army service. (Y. Barzilay)

Mubarak: Ties with Jordan won't affect Camp David

CAIRO. - Egypt's President Hosni Mubarak has reiterated his country's commitment to previous peace pacts despite the resumption of relations with Jordan, the Egyptian Middle East News Agency announced yesterday.
"The resumption of relations with any Arab country does not mean that Egypt is in any way committed to any action that would affect any agreements previously concluded in the path of peace," said Mubarak.
Addressing a parliamentary committee of his ruling National Democratic Party, Mubarak was apparently referring to the 1979 Camp David peace treaty with Israel, concluded under the late president Anwar Sadat.
He described Jordan's move to resume ties with Egypt as "a courageous decision," and said King Hussein deserved the "appreciation of the Egyptian people, its government and leadership."

Mubarak rejected any Arab meddling in his country's affairs and added: "We respect the will of our Arab brothers but we reject any interference in our affairs because the will of the Egyptians belongs solely to the Egyptian people and Egypt's integrity is not negotiable."
In Bahrain, PLO chairman Yasser Arafat marked his current Gulf tour with a renewed appeal to Egypt to renounce the peace treaty with Israel before rejoining the Arab fold.
"The Jordanian decision to resume (diplomatic) relations with Egypt is an internal affair of Jordan," Arafat told Bahrain television in an interview. "It is necessary that Egypt, the pioneer of the Arab struggle, returns to Arab ranks away from Camp David."
PLO sources said that Arafat is "sympathetic" to the Jordanian move because he believes it will derail the Camp David process. (Reuters, AP)

Jordan, Syria rap U.S. Mideast policy

UNITED NATIONS (AP). - Jordan and Syria, at odds on many issues, agreed in the General Assembly yesterday that U.S. support for Israel is an obstacle to peace in the Middle East.
"The complete bias of the United States toward Israel and its acquiescence in all its aggressive and illegal practices have caused a setback in the chances for peace and could possibly destroy those chances," said Taber Masri, Jordan's foreign minister.

"Syrian" Foreign Minister Parouk Shara said the U.S. is responsible for Israel's "acts of aggression, violations of the principles... of international law, contempt for the UN charter... expansionism, racist policies, occupation, injustice, terrorism, Judaization, colonization, expulsion and annexation."
The U.S. encourages Israel with more than \$3 billion of aid per year and "mortgaging" its Security Council veto to Israel, Shara said.

FEINT

(Continued from Page One)
the administered territories.
He may also have assessed that Egypt, which over the past five years has largely returned to its natural position in the Arab mainstream on all regional issues other than the peace with Israel, despite the absence of formal relations with most Arab states, will be unable to maintain its commitment to Camp David indefinitely while Israel goes about forestalling all options on the future of the territories.
In such a case, Hussein may well perceive himself as being at the centre of a new Arab alignment, that could conceivably embrace both

Syria and Egypt, in an Arab diplomatic offensive designed to wrest the Middle East peace process from the U.S. domination that has overtaken it ever since the signing of the Camp David accords five years ago. Hussein's scheduled visit to Moscow later this month could signal a further step in this direction.
Egypt has so far given no indication that it intends fitting into any such scenario. President Hosni Mubarak only yesterday reiterated his country's continued adherence to all existing commitments - including, presumably, those to Israel. But there is no one who can say for certain just how much longer this will remain the case.

Herut furious at Levy's criticism

By MICHAEL YUDELMAN
Jerusalem Post Reporter
Scathing criticism of Deputy Prime Minister David Levy's outbursts at Sunday's cabinet meeting, against Finance Minister Yitzhak Moda'i and the government in general was voiced yesterday in both Herut and Likud circles.
Sources close to Vice Prime Minister Yitzhak Shamir charged yesterday that Levy had political motives for his attacks on Moda'i and the Treasury, connected to Levy's rivalry with Shamir over leadership of the Likud.

Discussions about Levy's conduct, which was agreed to be damaging to the Likud's unity, were held in Herut yesterday. Herut sources emphasized that Levy had spoken for himself, without coordinating his positions with the party.
"The criticism against Levy will be brought to his notice and he will be informed in no uncertain terms of the view taken of his behaviour," a source close to Shamir told *The Jerusalem Post*.
SYMPOSIUM. - An international symposium on the primary prevention of heart disease - the world's foremost fatal disease - is being held at the Hebrew University-Hadassah Medical School.

Cotton stocks at Ata due to run out today

By DAVID RUDGE
Jerusalem Post Reporter
HAIFA. - There were no cotton deliveries to the Ata Textile firm yesterday, despite assurances by government ministers that every effort would be made to ensure continued supplies.
Cotton stocks are due to run out some time today. Workers fear that unless deliveries are made management will close the firm.
Late last night it was still not known whether agreement had been reached between the Industry and Trade Ministry and the Cotton Marketing Board to supply Ata with more raw materials.
The CMB, which is owed more than \$500,000 by the textile firm, said earlier yesterday it is not prepared to make further deliveries unless there is a guarantee of payment.
The board denied that it had received a request from Prime Minister Peres to continue supplying Ata with cotton. Sources in the Prime Minister's Office confirmed this, saying that Peres had not made any request to the CMB.
The prime minister met financier Shaul Eisenberg, whose holding

companies own Ata, in Jerusalem yesterday but the talks ended inconclusively.
Eisenberg reportedly said that his companies would be willing to invest more money in Ata on condition that the government also gives financial aid. Peres reportedly maintained that the Eisenberg group is solely responsible for the textile firm.
In the meantime a delegation from the Ata works committee met Industry and Trade Minister Ariel Sharon, who has pledged to ensure continued supplies of cotton to the textile firm, at least until a long-term solution for Ata's plight is worked out.
The minister informed the Ata employees that the committee of experts set up to find a long-term solution for Ata's problems had already begun work.
The four-member committee has been charged with submitting its recommendations within a week. *The Jerusalem Post* was told that the committee will also investigate what went wrong with the recovery plan implemented less than a year ago when the textile firm found itself in similar economic plight.

Dehaishe under curfew after stone-throwing, Kahane visit

By DAVID RICHARDSON
Jerusalem Post Reporter
DEHAISHE. - This squalid refugee camp sprawled alongside the main Jerusalem-Hebron road was under curfew last night after a spate of stone-throwing and an unwelcome but authorized visit by MK Meir Kahane earlier in the day.
Military authorities in the area declared the curfew shortly after midday yesterday after four cars were stoned by youths apparently called out by local activists to protest the resumption of diplomatic relations between Amman and Cairo. The windshield of a military bus was smashed, but no injuries were reported.
Shortly afterwards rumours began to circulate that Kahane intended visiting the camp. When the bearded rabbi - who advocates expelling all Arabs from Israel and the territories - arrived on the scene at about 4 p.m. the tension was still high, but the local military commander decided to allow him to enter the camp.
Kahane, accompanied by military officers, soldiers and several journalists, conducted afternoon prayers opposite the local mosque and said that he had come to the camp "to clean away the filth."
"I will show these dogs that as much as they can wander about Tel Aviv I can move about here," he said later.
Following Kahane's visit, local youths once again began throwing stones at the troops outside. The troops replied with shots into the air.
Four of Kahane's accomplices who were armed were not allowed to enter the camp, and the army filed

complaints against them, with the police for allegedly interfering with troops in the course of their duty.
The army spokesman in Jerusalem said last night that Kahane had been allowed to enter the camp despite a closing under curfew and "the military commander in the area judged that the presence of MK Kahane was not likely to cause a disturbance of public order and acted within his powers. The area is now quiet."
Robert Rosenberg adds:
The police are adamant in their opposition to any further visits by MK Meir Kahane to Arab villages, but they are awaiting a ministerial decision on the matter, police sources said yesterday.
Kahane has made it known that he wants to go to Taiba on October 9 for a visit along the lines of the one he attempted at Umm el-Fahm in August.
Inspector-General Arye Avnati decided then to bait Kahane and a group of his supporters about a kilometre from Umm el-Fahm and it became apparent that his visit would spark violence in the village.
"We don't want a replay of Umm el-Fahm," said one police source last night. He indicated that the police are awaiting a statement from Police Minister Haim Bar-Lev on the subject.
Meanwhile, the Union of Local Authorities sent a telegram to Bar-Lev "joining the call to prevent MK Kahane from entering Taiba on October 9. Our opposition stems from our desire to prevent disaster," the telegram said.

DOLLARIZATION

(Continued from Page One)
refers to introducing dollarization without making the dollar the legal tender, and in fact keeping intact the current foreign-currency regulations.
Under this scheme, prices and wages would be given in dollar terms, but payment would be made in shekels according to the representative rate of that day. The plan would then be allowed to hold cheque accounts linked to the dollar. After some months, when prices stabilize in dollar terms, the rate of exchange could be frozen and prices could be expressed in local currency terms.
But at the Bank of Israel there is opposition to this alternative as well. "It would be like changing a thermometer instead of fighting fever," an official explained. He added that there would be nothing to prevent prices from continuing to rise under such conditions.
Nevertheless, those in favour of the plan told *The Jerusalem Post* that under current conditions of 25 per cent inflation every month there is no way of managing the economy, let alone cutting the budget.
"There will be no way of knowing what is happening with the budget when prices keep rising by one per cent every day," the official said.

But at the Bank of Israel there is opposition to this alternative as well. "It would be like changing a thermometer instead of fighting fever," an official explained. He added that there would be nothing to prevent prices from continuing to rise under such conditions.
Nevertheless, those in favour of the plan told *The Jerusalem Post* that under current conditions of 25 per cent inflation every month there is no way of managing the economy, let alone cutting the budget.
"There will be no way of knowing what is happening with the budget when prices keep rising by one per cent every day," the official said.

Heads of press service meet authorities

Jerusalem Post Reporter
The directors of the Palestine Press Service, Raymonda Tawil and Ibrahim Kara'een, and their legal adviser Tel Aviv advocate Amnon Zichroni, met yesterday with Israeli officials who until recently had threatened to close the service and a weekly magazine it publishes.
Tawil said last night that she was still uncertain about the outcome of the meeting with Jerusalem district representative Rafi Levy and Sgan Aluf Danny Bayer of the Judge Advocate General's office. The authorities warned the PPS two weeks ago that it might be closed for allegedly receiving financial support and direction from Yasser Arafat's

Fatah organization.
Yesterday's meeting, came after Sunday's intervention by Prime Minister Peres, who ordered an apparent re-evaluation of the decision to close the service and its weekly *al-Auda*. Peres was acting in his capacity as acting Interior Minister and on the basis of the decision having been taken prior to the formation of the new government.
Zichroni, who conducted the meeting on behalf of the PPS, presented accounts and receipts to support their claim that the paper does not receive funds from Fatah or other illegal source. Tawil said last night that her funding comes mainly from various international funds and from foreign subscriptions.

The unveiling of the tombstone of our beloved husband, father, and grandfather

Dr. RUBEN (Rolf) KLASMER

will take place on Wednesday, October 3, 1984, at 3.30 p.m.

We shall meet at the entrance to the Givat Shaul cemetery.

Trudi Klasmer
Micki, Gabbi and families

We wish to thank all those who shared our grief.

To Louis Rosenthal and Family

We share your grief on the passing of your mother

KITTY CARO

Beit Galed

We deeply mourn the loss of our mother

JOANNA LESSEM

who passed away peacefully on September 27, 1984.

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HOME NEWS

Deadlock paralyzes Knesset committees

Post Knesset Reporter
The work of all Knesset committees, except the Finance and Foreign Affairs and Defence Committees, has been paralysed because of a deadlock between the two large factions over the chairmanship of the Economic Committee.

The Knesset House Committee's meeting scheduled for yesterday was postponed until next Monday because of the dispute between the Likud and the Alignment over this chairmanship.

On the House Committee's agenda is the election of its own chairman — the Likud's Michael Reiser is slated for the post — and the nomination of chairmen of all committees that still lack them.

When Speaker Shlomo Hilel adjourned the Knesset session a week ago Monday, he announced that all committees would meet immediately afterwards to elect chairmen.

The House Committee did meet, but because the Likud demanded the revision of its previous agreement allocating the Economic Committee to the Alignment, nothing was accomplished.

The Likud wants the Economic Committee chairmanship for former finance minister Yigal Cohen-Orgad.

Police deny 'softening team' tortured murder defendants

HAIFA (Itim). — Police who took part in the investigation of the murder of Haifa teenager Danny Katz denied yesterday in Haifa District Court defence charges that a police "softening-up team" had conducted a "brutal torture campaign" that "broke" the defendants and led them to confess.

The charges by the defence, and their denial by the police, came during a "mini-trial" on the admissibility of the five defendants' confessions.

Police Corporal David Dastin, called to testify on a statement by defendant Ali Janim, denied under defence cross-examination that the statement came after Janim was beaten and tortured by investigators. Dastin also denied that he had directed defendant Amad Kuzli on how to "re-enact" the crime with which he is charged.

Police Deputy Commander Alexander Ish-Shalom, deputy chief of the national crime investigation unit, said that Janim had suddenly confessed after earlier refusing to do so, when the police officer told the defendant that his story was not believable. Ish-Shalom rejected defence arguments that a "softening-up team" had beaten Janim to make him confess.

During a break in the morning court session, defendants Ahmed Kuzli and Ibrahim Sabiti, who are also charged with the 1982 murder of Dafna Carmon, were taken to another courtroom, where judges ruled that the Carmon murder trial would begin in mid-November.

Arab local authorities in 1-day strike

SHEFARAM (Itim). — The 45 Arab local authorities throughout the country yesterday held a one-day warning strike to protest against what they called the government's economic discrimination against them in favour of Jewish authorities.

All activities of the authorities, except schools, were halted.

The heads of the authorities say they have a total IS5 billion operating deficit. They cannot meet salaries, nor debts to the Mekorot water company and the Israel Electric Corporation.

The authority said that they are weighing a general strike next week, to include schools, if a solution to their problem is not found.

The director-general of the Interior Ministry, Haim Kubersky, dismissed the complaints and said that there was no justification for the strike. He said that many Arab local authorities had received relatively high budgets from the government compared with Jewish authorities.

Safad hospital MDs may call a strike

By MENAHEM HOROWITZ
Jerusalem Post Reporter
SAFAD. — Doctors at the government hospital here are threatening to strike various departments if Health Minister Mordechai Gur does not allow the filling of vacant posts.

Dr. Shlomo Balas, hospital administrator, said yesterday that ministry guidelines allow the hospital 149 doctors, but there are only 106 on the payroll.

Some of these are doctors studying in specialties which are not adequately represented at the hospital, he said. Such doctors must spend a third of their time at other institutions, which means that the number of doctors actually working at the Safad hospital may be only 75 at one time.

Balas said that the medical staff is under enormous pressure. He added that the hospital may leave the governmental framework and become a Kupa Holim Chalit institution to get more support and financial help.

The Safad hospital serves Upper Galilee, the Golan and South Lebanon.

Unifil soldiers suspected of smuggling

NAHARIYA (Itim). — Three Unifil soldiers were picked up at a police roadblock on the Rosh Hanikra-Nahariya road yesterday on suspicion of smuggling IS30 million worth of video recorders from Lebanon.

The soldiers were turned over to Unifil's police.

Evidence found of Shilo's role as religious centre

By LEA LEVAVI
One of the first-bronze axes found in Israel and silver artifacts bearing symbols of ancient gods were unearthed during this season's archaeological dig at Tel Shilo in Samaria.

Yisrael Finkelstein of Bar-Ilan University's department of Israel Studies, who headed the expedition of students and volunteers, said this year's dig continued exploration of storehouses from the Middle Bronze Period (approximately 1600 BCE) near the city walls.

Granaries from the ancient Israelite period were also unearthed, and one was found to be full of grain. Part of the Roman village which later occupied the site was also uncovered.

Finkelstein said this year's dig provided evidence of the importance of Shilo as a religious centre from the Middle Bronze to the ancient Israelite period.



This road sign on Tel Aviv's new Ayalon Highway has not been translated into English, although you might think it has been at first glance. "Rakevet" is not a new addition to the English language, nor is it a new area in Tel Aviv. The sign indicates the exit for the railway station. (IIPA)

Rampaging price increases must be controlled—Kessar

By ROY ISACOWITZ
Jerusalem Post Reporter
TEL AVIV. — The Histadrut will demand greater government control over price increases during today's talks with the government and the private employers. Histadrut sources revealed last night. Today's meeting will be the first time the three sides have sat together since the establishment of the new government.

Histadrut Secretary-General Yisrael Kessar is expected to propose the establishment of a tripartite body to deal with unemployment and the expansion of work opportunities. The idea was suggested during a meeting of the Histadrut central committee on Sunday.

Kessar told a special session of the central committee yesterday that the recent "rampage" of price increases is having a serious effect on consumers, salaried workers and large families. He called on the government to strengthen its control over prices and services.

Kessar said that he would ask Industry and Trade Minister Ariel Sharon to call an emergency meeting with the Histadrut to work out a method of combating the "attempts by some people to use inflation for their own benefit."

The sources said that the Histadrut will reiterate its basic position at today's talks — no tampering with wage agreements, no dilution of the cost-of-living increment agreement, and no compromise of the government's commitment to revise tax brackets whenever the C-o-L increment is paid.

The Histadrut has already agreed with the imposition of a salary surtax and compulsory loan, and will not tolerate Treasury attempts to swap the surtax for other measures that will place a greater burden on the workers, the sources said.

Histadrut tax committee chairman Naftali Ben-Moshe yesterday informed Finance Minister Yitzhak Moda'i that the labour federation opposes the Treasury's proposal to tax children's grants and old-age allowances paid by the National Insurance Institute.

Soviet Hebrew teachers won't take part in probe

Jerusalem Post Reporter
TEL AVIV. — Three Moscow Hebrew teachers have refused to take part in an investigation of a case concerning a fellow teacher, the Public Council for Soviet Jewry said here yesterday.

Yuli Edelstein was arrested about a month ago, and charged with possessing drugs.

Fellow teachers Dan Shapira, Eitan Baruchitan and one other were called yesterday to give evidence in the investigation, but refused.

They said yesterday that they were going to present a statement to the prosecution deploring the fabricated charges and refusing to have any part in the investigation.

Tami activist has salary—now he needs job

By JUDY SIEGEL
Jerusalem Post Reporter
The Jewish Agency is looking for a job for Tami activist Eli Artzi, who has already been promised a salary equivalent to that of a department director-general in the World Zionist Organization. *The Jerusalem Post* has learned.



Eli Artzi

The 42-year-old Artzi was for two years head of the WZO's department for Sephardi communities. Early in 1982 he took unpaid leave to become director-general of the Absorption Ministry.

As a result of Tami pressure, Artzi was named a member (without portfolio) of the Zionist Executive two years ago. He retained that unsalaried position after resigning from the Absorption Ministry in the hope of being elected to the Knesset on the Tami list. But he was put low on the party's list, and only Aharon Abuhazzeira was elected to represent the party in the Knesset.

Because Artzi did not resign from the WZO and take compensation, but rather took unpaid leave and was "loaned" to the Absorption Ministry, the Jewish Agency or WZO must now take him back and find him a job "suitable" to a former ministry director-general and member of the Zionist Executive.

Asked what job he had in mind, Artzi told *The Post*: "something that suits me," adding jokingly, "The prime minister's job is taken." A Jewish Agency spokesman told *The Post* that officials are looking for something. As soon as Artzi gets a job, he will be entitled to an agency car if the position requires it, and he will receive the same salary as he did as a department director-general.

Artzi was a controversial figure at the Absorption Ministry, getting involved in disputes with Jewish Agency officials that ended in a complete cut in ties between the two institutions that lasted until Artzi resigned to run for the Knesset.

He also accompanied former absorption minister Aharon Uzan on numerous trips to small towns in France and Canada to find potential French-speaking immigrants, trips which the Jewish Agency for a long time opposed.

In December of last year, Housing Minister David Levy walked out of a meeting of the Knesset Aliya Committee after Artzi disputed his figures on housing for new immigrants, calling them an "insult to the intelligence." Only when Artzi left the room was Levy willing to discuss the matter with Uzan.

Meanwhile, it has been learned that former Liberal Party MK Dror Zeigerman, who was not given a place by the Liberal Party on the Likud Knesset list, has returned to his former job as head of the WZO Students' Division, which he left when he was elected to the 10th Knesset.

Ceremonies to mark end of the Lodz Ghetto

By ERNIE MEYER
The destruction of the Lodz Ghetto by the Germans 40 years ago will be commemorated in ceremonies today and tomorrow. Ghetto survivors will hold a meeting at Tel Aviv's Exhibition Fairgrounds at 4 p.m. today, while Jerusalem's Yad Vashem is devoting a day of lectures and discussion to the subject, starting at 9:15 a.m. tomorrow.

Before the war Lodz was the second-largest "Jewish" city in Poland. Every third person in the population of about 750,000 was a Jew, according to Dr. Shmuel Krakowski, 58, who heads the archives at Yad Vashem. He is among the approximately 6,000 survivors.

"Of the 200,000 who passed through the ghetto, about 40,000 perished of hunger and disease between 1941 and 1944. About 83,000 were deported to the nearby Chelmno extermination camp, where all were killed in gas vans. The 70,000 who survived in the ghetto until August 1944, when the Russians stood on the Vistula River about 150 kilometres away, were all taken to Auschwitz and other concentration camps," Krakowski told *The Jerusalem Post* yesterday.

Only about 800 Jews were kept as a work commando in the former ghetto to help the Germans round up the property left by the deportees. By a fluke they survived until January 19, 1945, when the Russians finally entered the city. "They were even able to take revenge on a few of the SS men who did not flee in time," Krakowski added.

On display at the study day at Yad Vashem will be a number of artifacts rescued from the ghetto. Shown for the first time will be an entire Bible written in cursive Hebrew with the help of a magnifying glass on 86 pages of a book no larger than two matchboxes. This labour of love was performed by one S. Knobel (he did not survive), who in 1941 presented it to the head of the Lodz Ghetto Judenrat (Council of Jewish Elders), Mordechai Haim Rumkowski.

"Rumkowski was a controversial figure," said Yitzhak Mais, the 32-year-old director of Yad Vashem's museum, who put together the special Lodz exhibit. "Some ghetto inmates hated him, calling him a collaborator who made the murderous work of the Germans easier. Others saw him as a saviour of the Jews, who helped them survive as essential workers in the German war industry."

Rumkowski left the ghetto with the penultimate transport to Auschwitz, where he perished.

The little leather-bound volume was found in his lodgings in Lodz after the war by a survivor, Bella Blalik, who now lives in Tel Aviv. She could not bring herself to part with the relic — or to visit Yad Vashem — until half a year ago, when through a friend she presented it to the museum.

Comparing Rumkowski with the Mordechai of *The Book of Esther*, the author of the tiny volume included in it an unusual portrait of his hero. A 45-fold magnification of the drawing, made by the laboratory at National Police Headquarters, reveals that its lines and areas of shading are made up of part of the text of *Esther*, written in the same microscopic hand as the rest of the book. Looked at in magnification, the shading at the top of Rumkowski's hair can be clearly read: "Vayechi biyemei Ahasiverosh..." (Now it came to pass in the days of Ahasuerus).

Secularist group looks for way to take part in Yom Kippur

By LEA LEVAVI
Jerusalem Post Reporter
TEL AVIV. — Is there a nonreligious way to observe Yom Kippur? The founders of the Association for Humanistic Secular Jewry say yes, though they admit Yom Kippur is a harder nut to crack than, say, Succot or Pessach, which have nonreligious, national elements.

At a press conference here yesterday, Zehariah Goren of the Oranim Teachers' College and one of the leaders of the association, explained that the organization's goal is to find traditional Jewish content of a non-religious nature which can make holidays relevant to the non-observant.

Goren said that if the Kol Nidrei portion of the Yom Kippur service is seen by worshippers as a way of expressing Jewish solidarity, then that same solidarity can be expressed in a non-religious way, such as a discussion on relations between the Jews of Israel and the Diaspora by families and communities that do not observe the religious ritual.

The association's leaders say they do not want to substitute secular dogmas for religious dogma. Their model is the kibbutz, where Jewish holidays have been secularized (with varying degrees of success) for years, but the target audience in this case are families in the cities. Prof. Yehuda Bauer, a historian at Hebrew University and the association's chairman, said that although it has been active only since July, it already has about 1,000 members around the country.

Bauer added that members in Haifa and elsewhere have decided to celebrate holidays together and engage in other joint activities to create a secular Jewish way of life.

Workshop to focus on plight of disabled

TEL AVIV. — A workshop designed to help disabled people look on their handicap as an opportunity for growth will be held for the first time here on Friday and Saturday, October 19 and 20.

The workshop will be led by American Art Hierenberg who originated the idea and has directed numerous similar schemes in the U.S. and elsewhere.

His legs are paralysed and his arm movements are limited as a result of polio which he contracted as a two-year-old.

Hierenberg claims the workshops help the disabled in education, employment, family relations and community involvement.

Anyone interested in the workshop, which is being organized by the Israel Centre at America House, should contact 03-259010.

BLOOD PRESSURE. — Some 500 Bar-Ilan University workers had their blood pressure checked during a three-day drive last week sponsored by the university's welfare unit and the Association for the Prevention of High Blood Pressure.

IS7,500 fine for overstaying visa

HAIFA (Itim). — A Chilean tourist was yesterday fined IS7,500 by a magistrate's court judge here for overstaying his visa.

Manuel Escobar, 39, entered the country in July, 1982. His tourist visa expired in December of last year, but he stayed on.

Escobar told the judge that he had made friends here and asked to be permitted to stay. She said he could direct such a request to the Interior Ministry.

Industrial production up five per cent

Jerusalem Post Reporter
Industrial production, not including diamonds, rose by five per cent in the first six months of this year compared with the same period a year ago, the Central Bureau of Statistics reported yesterday. But compared with the second half of 1983, the growth was a modest two per cent.

Among the various sectors, the biggest gainers were basic metals, 19 per cent; chemicals and petroleum products, 15 per cent; and tobacco products and beverages, 9 per cent. Lagging behind were clothing, wood products, printing-and-publishing and mineral products.

The number of people working in industry rose by 1.2 per cent on a year-to-year basis, the statistics bureau said.

THEFT. — Thieves smashed a London jewelry store window with a rivet gun yesterday and made off with more than £1 million worth of gems in the second major robbery at the Graff Jewellers in four years.

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Controversial view by black U.S. sociologist The case against preferential treatment of minorities

By DAVID KRIVINE
Jerusalem Post Reporter

Thomas Sowell, a leading black American thinker in the field of sociology, is against preferential treatment (through job quotas, etc.) for black and other minorities. They do more harm than good, he maintains.

Addressing a recent meeting of the Jerusalem Institute for Jewish Studies, Sowell pointed out that the number of blacks in senior positions in the U.S. rose faster in the decade before the Civil Rights Act of 1964 than it did in the decade after. The implication is that jobs are achieved in practice through merit rather than through favoritism.

He admitted that governments are able to discriminate for (and against) minority groups more than the market sector, because discrimination costs money. The market sector cannot afford the cost of employing the wrong man, whatever the ideological justification.

But even in governments the disadvantaged persons who do best are

those who are not really disadvantaged, because they have come from the top layer of the minority group and have a good education. It is safe to employ them because they possess good qualifications.

Those at the bottom of the social scale who are genuinely handicapped by poverty and ignorance, get no benefit from the preferential system. Evidence suggests that they are worse off than before — because the method is wrong.

The right way is to offer equal opportunity, not to stamp the members of the minority as inferior persons who need privileged treatment, Sowell concludes.

He is a professor at Stanford University in California, having refused senior positions in the public service, both as Education Minister and as chairman of the National Economic Council. His is on a visit to Israel.

Different ethnic groups have different talents, Sowell pointed out. "I have not seen race discrimination against blacks when basketball teams are selected," he smiled.



Baruch Alshech

New head of Rassco

TEL AVIV. — Baruch Alshech has been appointed managing director of the Rassco housing company.

Alshech, 39, a graduate of both Tel Aviv and the Hebrew University, joined Rassco in 1972 and since then has held a variety of posts, rising to the position of deputy managing director. He replaces the acting managing director, Motti Tajar, who will continue as chairman of the board.

'Green light' for Greek tourism here

By HAIM SHAPIRO
Jerusalem Post Reporter

An official Greek tourism delegation is due to visit here in the near future, according to members of a parallel Israeli group which recently returned from talks in Greece.

The delegation, headed by Tourism Ministry director-general Rafi Farber, met with private entrepreneurs as well as with officials. According to the ministry, the two sides agreed that Israel would be free to develop and encourage increased pilgrim traffic as well as Dead Sea health packages and passenger shipping.

It was also agreed that study tours be arranged between members of the tourist industry and the media of both countries.

The tourism ministry sees the fact that such talks took place and that an agreement was reached as a "green light" by the Greek government for its businessmen to develop greater tourist traffic to Israel.

Laggard companies publish their reports

By PINHAS LANDAU/Post Finance Reporter

The following is a brief summary of the results recently published by a number of small companies for the year ending March 31, 1984. As will be recalled, the stock exchange management suspended trading in the issues of companies which had not released their balance sheet and profit and loss figures by the middle of September. As of the end of the month, the "laggard's list" had been whittled down to eight (Consortium, Emek, Technological Resources, Building Resources, Octagon, Atlantic, Tip Top and Tromasbest).

These results are for the 1983/84 year, and comparisons are with 1982/83. All figures are in inflation-adjusted shekels, in constant March 1984 values. The exchange rate at the end of March was \$1=IS153.

Meir Ezra and Sons, a company active mainly in storing and marketing food products, lost IS20.4 million, after a profit of IS60.1m. in the previous year. The company, registered on the exchange only since December 1983, gives a full and clear report of its activities, unlike many other companies, particularly among the newly registered ones.

From this survey, it emerges that the company's profitability fell sharply, mainly in the second half of the year, as a result of the economic changes that took place in October/November 1983. The adjusted loss is primarily the outcome of the accounting treatment of the money raised by Meir Ezra in its public issue last December.

Ben-Yakar Gat Building and Engineering succeeded in making a profit of IS60.4m., a 25 per cent increase over 1982-83's profit of IS48.3m. The company increased the scale of its building and is presently engaged in construction of 156 dwelling units, mostly in the new town of Ariel, in Samaria. The main sales in the last year were also in Ariel.

Ben-Yakar Gat is weighing further building projects "in areas where there is suitable demand, and where massive government support for financing the purchase of apartments" is available.

H.L.B. Investments and Developments swung from a profit of

IS13.3m. in 1982/83 to a loss of IS18.6m. in 1983/84. The company is mainly active in Netanya. Its main income was from selling apartments in Kiryat Nordan and it is seeking permission to build a wholesale shopping centre, for direct "producer to consumer" sales, in the industrial zone of Netanya.

Lumir Holdings lost IS120.3m. last year, three times its 1982/83 loss of IS42.5m. The company's main current project is the construction of 48 apartments in Netanya, of which 36 have been sold. Lumir also holds 46 per cent of the voting rights in Caesarea Real Estate and Vacations, although it owns only 28 per cent of that company's equity.

Matityahu Lipschitz Development, Investments and Building lost IS215m. in the most recent year, after achieving a profit of IS845m. in the preceding year. The company goes out of its way to show how the profit of IS180m. in the April-September 1983 period was more than reversed in the following half-year, when a loss of IS395m. was registered.

The blame for this turnaround is placed by the management on the heavy burden of financing new investment projects, which will not bring income until their completion. The company views the economic unrest as a further justification of its strategy of diversifying its activities.

L. Friz and Development, which was registered for trading only in mid-1984, reported a profit of IS65.7m. last year, down from IS99.3m. in the year before. Once again, financing costs are seen as the main cause of the drop. Friz has reduced its involvement in projects funded by government money and has on its books enough work for the current year and part of the coming one.

Caesarea Real Estate and Vacations lost IS192.2m. last year, almost twice the amount it lost in 1982/83 (IS99.1m.). This development is attributed to the realisation of investments and their erosion.

Industrial and Investment Companies

Goldfrost, the frozen-vegetable producer, lost IS524m. in 1983/84, compared to only IS38.3m. in 1982/83. Goldfrost was in severe financial straits, and on the verge of closure, before Koor Foods stepped in to save it. The purchase was actually made through Koor Food's subsidiary, Pri Hagalit, and the new management found the company in a state of collapse in almost every department. The huge loss of last year is a legacy of that situation, with the nominal loss of IS625m. being almost 3 times the amount of the company's sales.

Koor instituted a wide-ranging recovery plan which was already beginning to show results when a fire at the company's plant, of July 15 of this year, severely damaged the warehouse and packaging facilities. Damage was estimated at \$3.5-\$4m. and regular production is unlikely to be resumed until early next year. Goldfrost has full insurance cover for the direct and indirect losses that were caused.

Binayim Gibli, the chairman of Goldfrost and managing director of Koor Foods, expresses his confidence, in his letter to shareholders, that the company will restart production in early 1985, and that the targets set for its recovery will be achieved.

Nechushtan Investment Company reduced its loss from IS38m. to IS8.4m. in the last year. This reflects the reorganisation of the company to an investment and holding company (hence the change of name), whose main subsidiaries are Nechushtan Elevators and Nechushtan Metals and Engineering. The latter firm is engaged in importing metals and technical products.

Neca Chemicals lost IS57.4m. in 1983/84, after managing a small profit of IS1.2m. in 1982/83. Neca proceeded with its investment programme, as laid down in the company's

prospectus of November 30, 1982. It expects, on the basis of the first few months of the current year and the outlook for the remainder, that the 1984/85 results will be an improvement over last year.

Hiron Trading Investments and Industrial Premises lost IS8m. last year, after losing IS11.4m. in 1982/83. Hiron went public in May 1983 and used a large part of the proceeds of the new issue to set up, in partnership with foreign investors, an electronic components plant in the U.S. The company now intends to set up a local plant, which will be based on the know-how of the U.S. company and using its marketing system.

"Export" Investment lost IS1.7m. in 1983/84, a reversal of the 1982/83 profit of IS9.4m. Zalman Shoval, "Export's" chairman, reviews the macro-economic problems of the country for its shareholders, leaving a sentence or two for his company. He notes that some of the company's investments, such as the Jerusalem Mortgage Bank and Redimix Industries, may well be affected by the expected moves of the government to put the economy straight.

Landeco-Rubinstein Investments lost IS107.4m. last year, against a profit of IS120.8m. in the previous year. Here again, the source of the large loss is in the heavy weight of financing costs, particularly in the second half of the year.

Piryon Investment Trust Company, the "flagship" of the Eisenberg group investment interests in Israel, reported a massive loss of IS1.091m. for 1983/84. This compares to a profit of IS764.2m. in 1982/83. The company was severely burnt in the successive collapses of the Tel Aviv stock exchange in the course of last year. The poor results have already caused a split between Eisenberg and Michael Albin, his former right-hand man in Israel.

Piryon's management notes that "as a result of the unfavourable events and developments in the Israeli capital markets and in the Israeli economy in general, the company's business results for the period are not good."

Algae for health food is latest export

By MACABEE DEAN
Jerusalem Post Reporter

TEL AVIV. — A large consignment of "spirulina" algae, which Koor Foods began to grow commercially three years ago at its plant in Eilat, was recently shipped to the U.S., a company spokesman said.

This is the first time that this algae has been exported to the U.S. Valued for its high protein content, it will be sold in health food stores in the form of a powder, or as pills and capsules. It is not only non-

fattening, but also nutritious, with appetite-killing properties. The algae can also be mixed with water and taken as a drink.

Koor Foods, which employs 15 persons at its Eilat plant, is also trying to develop other types of algae for commercial use.

Another project is the extraction of carotene, a natural food colouring which commands a high price, from algae. This project is sponsored in part by the office of the Chief Scientist in the Ministry of Industry and Trade.

EEC inflation rate lowest since 1972

LUXEMBOURG (Reuters). — Consumer prices in the European Community rose by just 6.9 per cent in the 12 months to August, the lowest year-on-year increase since the end of 1972, the Community's statistics office Eurostat said yesterday.

It said the inflation slowdown was due to an exceptionally low 0.4 per cent average rise in prices during August, with prices in seven of the 10 Community members going up by between 0.1 and 0.5 per cent.

The exceptions were Britain, where a rise in mortgage interest rates pushed up the index by 0.9 per cent, and in West Germany and Greece, where seasonal drops in fruit and vegetable prices and summer sales sent prices down by 0.2 and 0.5 per cent.

All member states, with the exception of Italy and Greece, now have annual inflation rates of below 10 per cent. West Germany has the lowest rate of 1.7 per cent, Eurostat said.

The year-on-year increase to August was 10.5 per cent in Italy and 18.9 per cent in Greece.

Early sounding of the last post for mailmen

By YITZHAK OKED

TEL AVIV. — Mailmen are to be phased out in a bid to streamline the delivery service, the Ministry of Communications has announced.

The new scheme will see the mail sorted and put in special mail-boxes in the centre of a residential area such as a commercial mall or super-

market. Experiments have been carried out in several commercial centres, using several thousand post office boxes, said Ministry officials. It is understood that the mailmen will not disappear overnight and that phasing them out could take several years.

Businessmen all for free trade zone with U.S.

By MACABEE DEAN
Jerusalem Post Reporter

TEL AVIV. — The Federation of Israeli Chambers of Commerce has declared its support for the Free Trade Zone Agreement with the U.S.

The scheme is now being worked out in the U.S. and there are indications it will soon be approved by the various American authorities.

The Generalized System of Preferences (GSP), which the federal-

ists did not prove justified. Moreover, Israeli manufacturers would enjoy a certain "buffer period." For although the Americans would exempt all Israeli goods from customs duties as soon as the Free Trade Zone agreement took effect, Israel would be allowed to reduce its customs on American goods in a gradual process.

The demand by the Americans that Israel do away with its massive subsidies on its exports would help Israel in the long run. In the first place, this would reduce the government's budget, since it would no longer have to find funds for these subsidies. Secondly, it would introduce a sense of realism in the exchange rate allowing it to settle at its real level.

The federation also believed that the FTA would open "a closed American market within America to Israeli exports." This was the "Buy American Act" which restricted purchases by American governmental departments, and their agencies, to only American goods, unless imported goods were considerably cheaper.

However, the federation admitted that the Israeli negotiators had asked that the Buy American Act be lifted, but it was not certain that this would be done.

For example, some products not included under the GSP, such as fresh and processed agricultural products, textiles and clothing, would be able to enter the U.S. freely.

Exporters would also be forced to raise the quality of their goods for the American market which would help manufacturers seeking other markets abroad.

Increased exports to the U.S. would also woo foreign investors, as Israel would suddenly have a definite advantage over other countries seeking investments, with its better access to the American market.

As for Israeli manufacturers facing stiff competition from American imports, the federation notes that the same claim was raised when Israel reached an agreement with the European Common Market. These

High wages make freighter unprofitable

By YA'ACOV FRIEDLER
Jerusalem Post Reporter

HAIFA. — The Aaron Rosenfeld shipping company has withdrawn from service the 5,000 ton freighter m.s. Arnon, which is owned by a subsidiary.

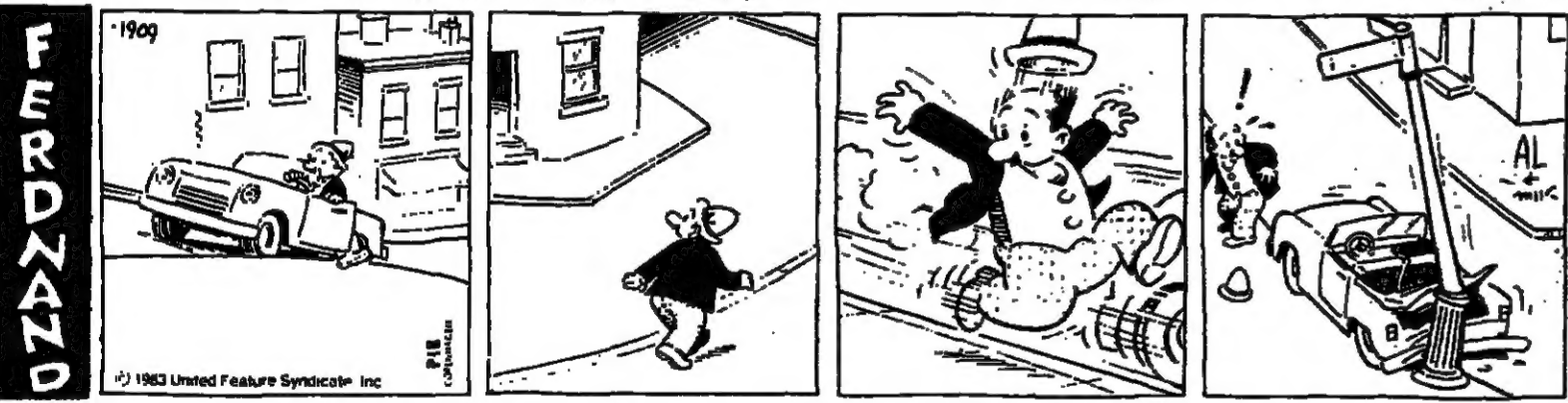
The company's Izzy Rosenfeld told *The Jerusalem Post* that the high cost of manning the vessel with an Israeli crew no longer made its operation profitable in the face of foreign competition. The ship is now up for sale.

The Arnon had been sailing under a seven-year contract with the Dead Sea Works, which expired last month. The Dead Sea Works has declined to renew the contract on the old terms.

The Arnon's withdrawal from service loses the seamen 19 jobs, including those of eight officers.

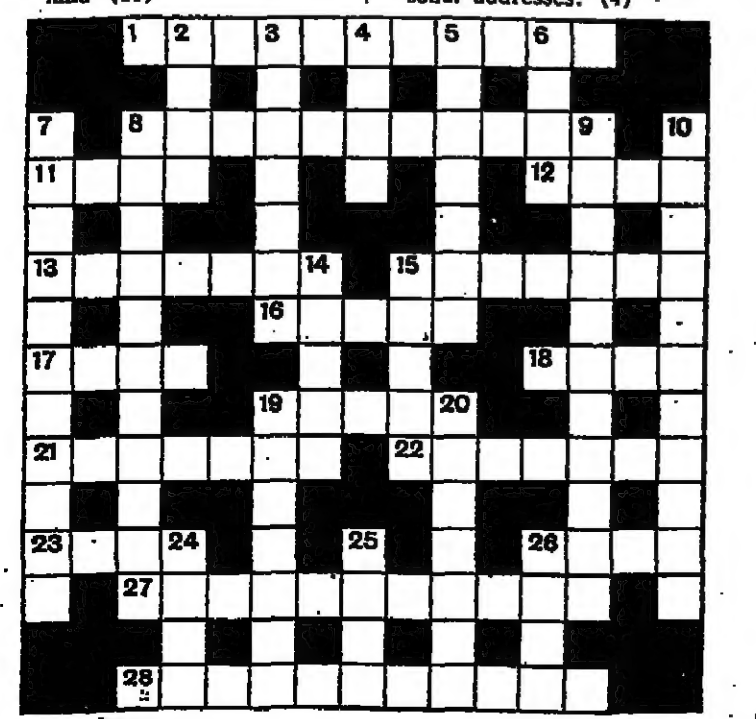
To save the ship the two seamen's unions had agreed to a mixed crew of Israelis and foreigners, but the ratings union then rejected certain of the company's demands.

CURRENCY. — The Judea and Samaria civil administration yesterday raised from \$3,000 to \$5,000 the amount which travellers can bring from Jordan.



ONE-AND-ONE CROSSWORD

- | | |
|---|---|
| ACROSS | DOWN |
| 1 Closing advice from a rambling talker (4, 3, 4) | 2 Hot air that may be due to tail-out (4) |
| 8 A squeeze from a sailor taken not too seriously (5, 2, 4) | 3 Mattress-proof — and a reproof if it's off (7) |
| 11 Shift of work to Abraham's birthplace (4) | 4 Half-hour workpeople put through it (4) |
| 12 Doctor the morning tittle? (4) | 5 A nasty postage stamp of Hitler (7) |
| 13 I lead troops into desert as a cover-up (7) | 6 Counted 500, then many more turned up (4) |
| 15 Circular TUC leader put out seems a bit too rich (7) | 7 Thwarted by the Heavens when 16 came over the ocean? (4-7) |
| 16 A Swede screened and preferably left alone (5) | 8 Good citizens should never be in support in an anorthodox way (3, 2, 6) |
| 17 Carried away with new part (4) | 9 A cause of a few limbs being amputated in The Avenue? (4, 7) |
| 18 Some brief Samurai sport (4) | 10 Not the way dead-pan performers are seen to act (11) |
| 19 Come back, Bobby! Sir is in brittle mood (5) | 11 Hang about (feeling feathered, too) (5) |
| 21 Spied out training system like the one that strengthened Bruce (7) | 12 Honour points to the well-covered, naturally (5) |
| 22 More than one praising utterance (7) | 13 Playful invitation to battle on the vicarage lawn? (7) |
| 23 Enough of the poets! (4) | 20 Highly moral person converting the up-train (7) |
| 24 A test said to be passed (4) | 21 Watch kept behind a vessel (4) |
| 25 A trusty nude displayed great interest in Mother Earth (6, 5) | 22 Choice dishes may be set out on it (4) |
| 26 Tranquility that can be found by a peaceful head-land (11) | 23 Inverse proportion of personal addresses? (4) |



GENERAL ASSISTANCE

EMERGENCY PHARMACIES

Jerusalem: Orah, 27 King George, 222043.
Balsam, Salah Eddin, 272315. Shu'fat, Shu'fat Road, 810108. Dar Eldawa, Herod's Gate, 282058.
Tel Aviv: Concept, Neof Aleka, 490020. Lev Hair, 69 Ehad Haim, 613862.
Petah Tikva: Not available.
Netanya: Not available.
Haifa: Not available.

DUTY HOSPITALS

Jerusalem: Hadassah E.K. (pediatrics, E.N.T.), Bikur Holim (internal, gynecology), Shaare Zedek (surgery, orthopedics, ophthalmology).
Tel Aviv: Lohi (pediatrics), Ichilov (internal, surgery).
Netanya: Laniado (obstetrics, internal, pediatrics, gynecology, surgery).

FLIGHTS

24-HOURS FLIGHT INFORMATION SERVICE
Call 03-972484
(multi-line)
ARRIVALS ONLY
(TAPED MESSAGE)
03-381111 (20 lines)

FIRST AID

Magen David Adom emergency phone numbers (round the clock service).
Ashdod 41333 Jerusalem 523133
Ashkelon 23333 Kiron 344442
Bat Yam 535555 Kiryat Shmona 44394
Be'er Sheva 76333 Netanya 92333
Caesarea 988355 Netanya 23333
Dana Region 781111 Petah Tikva 9231111
Eilat 72333 Rehovot 51333
Hadera 22333 Rishon LeZion 942333
Haifa 512333 Safed 30333
Hatzor 36333 Tel Aviv 240111
Holon 80133 Tiberias 90111
"Mobile Intensive Care Unit (MICU) service in the area around the clock.
101 Emergency phone number in most areas.

POLICE

Rape Crisis Centre (24 hours), for help call Tel Aviv, 234819, Jerusalem — 818118, and Haifa 8811.
"Erin" — Mental Health First Aid, Tel. Jerusalem 66991, Tel Aviv 263311, Haifa 972222, Beersheva 418111, Netanya 35314.
For information on Battered Women Shelters call Family Violence Service — 03-231679/235922 or any of the Rape Crisis Centre or Erin hot lines.
Jerusalem Center for Drug Abuse and Misuse Intervention, Tel. 663828, 663902.
14 Bethlehem Rd.

QUICK CROSSWORD

ACROSS
1 Brewery worker

DOWN
1 Red Indian soldier
2 Make more tense
3 Strong cotton yarn
4 Firework
5 Singing-bird
6 Elephant trunk
7 Greek letter
8 Grey-necked crow
9 Wear out
10 Overhead roadway
11 Support for lame
12 Flavour
13 Pattern
14 Instructor

MINISTRY OF JUSTICE — THE AUDITORS' COUNCIL

NOTICE CONCERNING EXAMINATION SESSION, AUTUMN, 1984
pursuant to the Auditors' Law, 5715-1955.

NOTICE IS HEREBY GIVEN that the examinations of the Auditors' Council for the autumn 1984 session will take place on the following dates:

1. Tax Laws	17. Cheesman, 5744 (November 12, 1984)
2. Law of Bodies Corporate	24. Cheesman, 5744 (November 18, 1984)
3. Commercial and Labour Law	27. Cheesman, 5744 (November 22, 1984)

Registration for the examinations is only by means of the form which can be obtained from the offices of the Secretariat, 8 Rehov Hillel, Jerusalem.

All candidates intending to apply to sit for the examinations, must send the completed application form, with the receipt of the Post Office Bank enclosed, so as to arrive at the Secretariat of the Council, P.O. Box 635, Jerusalem, Postcode 91000, no later than 19 Tishrei, 5745 (October 15, 1984). The fee for applying for each of the above subjects is IS 17.40.

Please Note:

1. Payment of the application fee without submission of the application form as aforesaid is not considered registration.
2. The question papers will be in Hebrew but in the above three subjects an English translation will be available.
3. Candidates in the Tax Laws examination may use the texts of the following laws and regulations:
 - (1) Income Tax Ordinance and the Regulations thereunder;
 - (2) Land Appreciation Tax Law, 5723-1953;
 - (3) Value Added Tax Law, 5728-1956;
 - (4) Encouragement of Capital Investments Law, 5719-1958;
 - (5) Encouragement of Industry (Taxation) Law, 5729-1968;
 - (6) Purchase Tax (Goods and Services) Law, 5712-1952;
 - (7) Income Tax (Taxation under Conditions of Inflation) Law, 5742-1982.

4. The amount of the fee paid will be refunded to a candidate who is unable, for good reason, to sit for an examination for which he is registered, and whose written notice to such effect is received at the Secretariat not later than two weeks before the examination, or who submits a medical or army certificate concerning his absence from an examination within one month of the date of the examination or release from the I.D.F.

MAVER GABAY
Chairman, The Auditors' Council

28 Eilat, 5744
(September 25, 1984)

Yesterday's Solutions

ACROSS: 5. Jinx, 8. Schnapps, 9. Udding, 10. Escargot, 11. Party, 14. Era, 16. Botsen, 17. Doctor, 18. Dred, 20. Ideal, 24. Escargot, 25. Lard, 26. Kneecaps, 27. Slicker, DOWN: 1. Aster, 2. Shocks, 3. Hairy, 4. Upstart, 5. In-judicious, 6. Hairy, 7. Woodwork, 8. Strangle, 14. Red, 18. Add, 19. Urgent, 21. Steel, 22. Smeat, 23. Trust.

Driver, Try and imagine how a soldier feels when an empty car except for the driver goes by without stopping.

Stuck in a rut of indifference

Stocks and bonds made little progress yesterday, and the volume remained dull. A total turnover of \$1.2 billion on the whole exchange reflects the lack of interest in the financial markets at this time.

Bonds were only fractionally up on the day by the measurement of the general bond index, although individual issues moved in both directions. The bond index remains grossly undervalued, in view of the expected September index of 25 percent, and the even larger figure thought to be likely for this month.

The share market was, as usual, split into two sectors. The group of shares in the "arrangement" continued to move ahead, though by smaller margins than on the previous day. Once again, the lion's share of the volume in the share market was taken by the "arrangement" sector. The "free" shares were mixed, but with a distinctly downward tilt, with

Tel Aviv Stock Exchange

By PINHAS LANDAU

rather more issues declining than advancing.

Announcements:
Eagle Military Equipment announced that the board of directors decided on a 250 per cent interim dividend for the 1983-84 year. The ex-dividend will be on October 9, and the dividend will be paid, after deduction of 15 per cent tax, on October 30.

Treasury Bills. Following the agreement to reduce the minimum purchase in Treasury Bills to \$100,000, the remaining point at issue, namely the commission to be charged, have also been fixed.

MARKET STATISTICS

Indices	Value	Change	% change
General Share Index	395.06	+1.67%	
Non-bank Index	273.99	-0.71%	
Arrangement	479.20	+2.64%	
Bank Index	315.77	-0.57%	
Bond Index	331.37	+0.27%	

Turnovers

Shares	IS1112.5m.
Bonds	IS1065.4m.
Totals	IS2177.9m.
Advances	141
Declines	185
of which 5% +	40
of which 5% -	63
"Buyers only"	11
"Sellers only"	23

Bond market trends

4% fully-linked:	Stable/Rises to 3%
3% fully-linked:	Mixed to 2%
2% fully-linked:	Mixed to 2%
Dollar-linked:	Mixed to 3%
Double-option:	Mixed to 3%
Full-linked:	Falls to 3%

Most Active Shares

Share	Value	Change	% change
Leumi	15685	IS291.1m.	+250
Hapoel	10445	IS147.6m.	+350
I.D.B.	15100	IS111.9m.	+50

Sharpest Moves

Share	Value	Change	% change
Leumi	15685	IS291.1m.	+250
Hapoel	10445	IS147.6m.	+350
I.D.B.	15100	IS111.9m.	+50

Bank of Israel exchange rates

October 1, 1984 IS

U.S. dollar	408.64
British Sterling	503.71
German mark	132.74
French franc	43.264
Dutch guilder	117.85
Swiss franc	161.53
Swedish krona	47.114
Norwegian krone	46.091
Danish krone	36.715
Finnish mark	64.16
Canadian dollar	310.03
Australian dollar	339.17
South African rand	242.67
Belgian franc (10)	65.513
Austrian schilling (10)	188.94
Italian lire (100)	213.76
Japanese yen (100)	165.78
Irish pound	411.70
Spanish peseta (100)	237.41
Jordanian dinar	1013.4
Lebanese lira	55.220
Egyptian pound	335.08

TREASURY PLANS

(Continued from Page One)
The reserves was not caused by the public's demand for dollars, but by large repayments of loans by the government to the U.S.

They added that in the coming months the reserves level will stabilize and even increase as Israel receives U.S. aid for this year.

It was reported yesterday that Israel will ask the U.S. for a huge increase in military aid when Prime Minister Shimon Peres visits Washington next week. According to these reports Peres will request an additional \$600m. in military aid for each of the next five years.

If the limitations on imports are imposed, Peres will also have to try to explain to the Reagan administration the need for such an extreme step, which clearly contradicts several international agreements to which Israel is a party, such as the Free-Trade Zone agreement and similar

agreements with the European Economic Community.

The country's foreign-currency reserves started to dive in June, and have since dropped by over \$1.2b.

The government team which is to negotiate with Histadrut today may use the reserves fall as an argument to push for a rapid accord. Treasury officials, however, were pessimistic as regards hopes for a quick agreement on a package deal on wages and prices.

The Bank of Israel also announced yesterday that for the first time in 18 months the government has managed to absorb money from the public instead of printing it.

The central bank said in September the government absorbed \$143b. mainly because the public deposited particularly attractive conditions last month.

Later, some bank officials warned that the increase in the amounts deposited in saving schemes did not represent an increase in savings, since the funds came mainly from other saving channels, like *Patam* accounts. According to the officials' estimates, some \$150m. was withdrawn from *Patam* accounts last month.

The officials said it should be remembered that the government still has a \$190b. excess of spending over revenue last month, which was covered only because the public preferred to transfer part of its savings from *Patam* accounts to saving schemes, which by definition offset the money printing figure.

Education group elects Israeli as deputy head

TEL AVIV. — Youth Ahva head Uri Gordon has been elected vice-president of the International Education Federation.

Gordon's election came at the federation's conference in Marseille. He will hold the position for two years.

Commercial Banks

Share	Value	Change	% change
Leumi	15685	IS291.1m.	+250
Hapoel	10445	IS147.6m.	+350
I.D.B.	15100	IS111.9m.	+50

Commercial Banks

Share	Value	Change	% change
Leumi	15685	IS291.1m.	+250
Hapoel	10445	IS147.6m.	+350
I.D.B.	15100	IS111.9m.	+50

Real Estate, Building

Share	Value	Change	% change
Leumi	15685	IS291.1m.	+250
Hapoel	10445	IS147.6m.	+350
I.D.B.	15100	IS111.9m.	+50

Mortgage Banks

Share	Value	Change	% change
Leumi	15685	IS291.1m.	+250
Hapoel	10445	IS147.6m.	+350
I.D.B.	15100	IS111.9m.	+50

Financial Institutions

Share	Value	Change	% change
Leumi	15685	IS291.1m.	+250
Hapoel	10445	IS147.6m.	+350
I.D.B.	15100	IS111.9m.	+50

Insurance

Share	Value	Change	% change
Leumi	15685	IS291.1m.	+250
Hapoel	10445	IS147.6m.	+350
I.D.B.	15100	IS111.9m.	+50

Trade & Services

Share	Value	Change	% change
Leumi	15685	IS291.1m.	+250
Hapoel	10445	IS147.6m.	+350
I.D.B.	15100	IS111.9m.	+50

Food and Tobacco

Share	Value	Change	% change
Leumi	15685	IS291.1m.	+250
Hapoel	10445	IS147.6m.	+350
I.D.B.	15100	IS111.9m.	+50

Services

Share	Value	Change	% change
Leumi	15685	IS291.1m.	+250
Hapoel	10445	IS147.6m.	+350
I.D.B.	15100	IS111.9m.	+50

Industrials

Share	Value	Change	% change
Leumi	15685	IS291.1m.	+250
Hapoel	10445	IS147.6m.	+350
I.D.B.	15100	IS111.9m.	+50

Chemicals, Rubber, Plastics

Share	Value	Change	% change
Leumi	15685	IS291.1m.	+250
Hapoel	10445	IS147.6m.	+350
I.D.B.	15100	IS111.9m.	+50

Textiles and Clothing

Share	Value	Change	% change
Leumi	15685	IS291.1m.	+250
Hapoel	10445	IS147.6m.	+350
I.D.B.	15100	IS111.9m.	+50

Metals and Metal Products

Share	Value	Change	% change
Leumi	15685	IS291.1m.	+250
Hapoel	10445	IS147.6m.	+350
I.D.B.	15100	IS111.9m.	+50

Electrical Machinery

Share	Value	Change	% change
Leumi	15685	IS291.1m.	+250
Hapoel	10445	IS147.6m.	+350
I.D.B.	15100	IS111.9m.	+50

Electronics, Optics

Share	Value	Change	% change
Leumi	15685	IS291.1m.	+250
Hapoel	10445	IS147.6m.	+350
I.D.B.	15100	IS111.9m.	+50

Building Materials

Share	Value	Change	% change
Leumi	15685	IS291.1m.	+250
Hapoel	10445	IS147.6m.	+350
I.D.B.	15100	IS111.9m.	+50

Research & Development

Share	Value	Change	% change
Leumi	15685	IS291.1m.	+250
Hapoel	10445	IS147.6m.	+350
I.D.B.	15100	IS111.9m.	+50

Oil Exploration

Share	Value	Change	% change
Leumi	15685	IS291.1m.	+250
Hapoel	10445	IS147.6m.	+350
I.D.B.	15100	IS111.9m.	+50

Chemicals, Rubber, Plastics

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I.D.B.	15100	IS111.9m.	+50

Chemicals, Rubber, Plastics

Share	Value	Change	% change
Leumi	15685	IS291.1m.	+250
Hapoel	10445	IS147.6m.	+350
I.D.B.	15100	IS111.9m.	+50

Textiles and Clothing

Share	Value</
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THE JERUSALEM POST

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Time is running out

DEPUTY PRIME MINISTER David Levy attacks the Finance Minister, blasting his policy, read yesterday's headlines. What else is new, one might ask. Except that this time round the name of the Finance Minister is Yitzhak Moda'i and the by now familiar scene was taking place around the enlarged cabinet table of the national unity government.

Meanwhile, barely into its third week, the new government is still groping for a comprehensive economic policy that would lead the country from the brink of disaster. Amidst the charges and counter-charges to which one is exposed practically every day now, as they are leaked from the various ministerial and cabinet deliberations, one basic question looms high: What happened to all the economic plans which Mr. Moda'i claimed to have in store to rescue the economy, when he himself strongly criticized his predecessors?

But this time the same question must also be asked of the Finance Minister's Labour Party colleagues in the unity government. They had ample time to prepare themselves for the day of their return to power - even if this power now has to be shared with the Likud.

True, direct responsibility for economic policy falls on the shoulders of the Likud ministers who demanded that they remain in charge of the country's economic affairs. It is, therefore, an almost grotesque replay of previous scenes when Mr. Levy persisted in his one-man show performances, blasting the economic policy of his own party colleagues.

The fact that this time the Treasury is again headed by a Liberal minister, and not a Herut one, does not change the grim economic reality, inflicted and perpetrated by three successive Likud governments. In the face of such a grave political and social burden, it certainly behooves the Likud leaders to conduct themselves humbly and with special responsibility. But such standards of behaviour are apparently of no concern for men like Deputy Premier Levy, who will not pass up an opportunity to curry favour with the masses, in order to maintain the image of a popular hero.

Except that the name of the game could be decisively different in a broad Labour-Likud government. The current rift between the Likud's Herut and Liberal wings, as exposed this time in the open fight between Mr. Moda'i and Mr. Levy, could well be a forerunner of new and different political line-ups in the national unity government.

Meanwhile, every day brings more disconcerting news of the country's disastrous economic situation. Yesterday's figures of Israel's rapidly depleting foreign currency reserves reached an all-time ebb of \$2.088 billion. If one takes into account the foreign currency deposits exercise by the Bank of Israel in the summer, the foreign currency reserves are actually down to \$1.760 billion. During the month of September alone, these reserves went down by another \$323 million.

The fact that there was no printing of shekels last month - a rare phenomenon indeed - is of small consolation. That was the result of the steeper devaluation of the shekel last month and the public's uncertainty as to the fate of the dollar-linked Patam accounts, which brought about a large-scale switch to various attractive saving schemes. Thus, \$343 billion was absorbed from the public, making money printing unnecessary.

Although the new government is only in its third week, time is running out for decisive economic measures. Prime Minister Shimon Peres, who has spared no effort to support Finance Minister Moda'i - the first time in many years that a Prime Minister is directly involved in determining economic policy - has only one week left before he has to present his government's economic plan in Washington. That is a prior condition for any additional U.S. aid Mr. Peres expects to get.

Beyond the perennial bickering of cabinet ministers, bold steps are called for. In the words of the Treasury's reappointed director-general Emmanuel Sharon, what the government needs now most is steadfastness.

The King's old tunes

ISRAEL GAVE its cautious blessing to King Hussein's decision last week to resume diplomatic relations with Cairo. Egypt's Minister of State for Foreign Affairs Butros Ghali subsequently told his country's People's Assembly three days ago that the restoration of ties between Cairo and Amman would "open the door to new diplomatic movement based on UN decisions, and foremost among them, Resolution 242" - a basic premise of the 1978 Camp David Accords.

In these columns yesterday, as well, King Hussein's decision was termed a move in the right direction, linked with a cautioning remark that it was far too premature to read any tangible meaning into Amman's diplomatic moves.

Then came the Jordanian king's speech before his parliament yesterday. He harked back to old familiar tunes of hostility towards Israel. Nothing good could come from his western neighbour, the king held. Israel's recent elections proved that and the proposal by Prime Minister Shimon Peres for peace negotiations without any prior conditions was unacceptable. Territorial compromise was out, as Jordan would not give up an inch of its land, King Hussein reiterated.

He demanded a declaration of adherence by Israel to UN Security Council resolutions 242 and 338, in all their parts. The king conveniently omitted to mention that Israel was in any case committed to both these resolutions, which deal specifically with the need for defensible borders for Israel and negotiations with its Arab neighbours.

Watching the Jordanian monarch yesterday in his finest parade uniform, staging a rare performance before his parliament, one could have expected some more original words and thoughts. The "kick-Israel" formula, whenever Arab leaders are confused or feel threatened, is far too worn-out a remedy.

In the face of Syria's threatening shadow and his scheduled visit to Moscow later this month, King Hussein sought the easy way out by whistling old tunes. Prime Minister Peres did well yesterday to remind him that it was the Jordanian king's own fault that Israel has been ruling the West Bank for over 17 years.

King Hussein knows only too well that peace with Israel would serve him and his people far better than the present stalemate. He was dressed at his best yesterday, but he gave a dismal performance.

WASHINGTON TODAY finds itself the focus of intense pressure to become actively engaged in Middle East peace-making, after a hiatus of some seven or eight months.

Both Israel and Lebanon have made it known that they would welcome a renewed American role in mediating an orderly Israeli withdrawal from Lebanon, with Syria indicating that it, too, is open to such an initiative and would be willing to cooperate. Egypt is also pressing President Reagan to revive his moribund Middle East peace initiative in the wake of last week's renewal of diplomatic relations between Amman and Cairo.

So far, Washington has been extremely cautious in its response to these pressures. With the presidential election less than two months away, Ronald Reagan is understandably reluctant to become embroiled in the less-than-predictable politics of our region on the eve of his bid for a second term in the White House.

The change of government in Israel, as well as last week's dramatic renewal of diplomatic relations between Egypt and Jordan, have undoubtedly raised new hope for Reagan's ill-fated September 1982 initiative. But there can be little doubt that such hope is far too tenuous to suffice Reagan so close to polling day, particularly as a repeated rejection by Israel - which is by no means unlikely, even with the change of guard in Jerusalem, unless the terms of the Reagan initiative are substantially changed - could damage him with Jewish voters.

The prospects for success in brokering a withdrawal from Lebanon are infinitely better, given the expressed readiness of all sides involved to cooperate in such an initiative. But Lebanon is an extremely painful issue for Reagan, whose administration has suffered a disastrous series of reverses there over the past two years.

And unless he can be absolutely assured of success, there can be little doubt that Reagan would prefer to keep the whole topic of Lebanon well out of the public eye - at least until after he is safely back in the White House.

Israel, too, anxious as it is to get out of Lebanon with the least possible delay, has indicated that it is unwilling to be stampeded. Thus, Defence Minister Yitzhak Rabin was careful to counsel patience after his meeting with U.S. Under-Secretary of State Richard Murphy last week. He was plainly not anxious to bring either the government in Jerusalem or the administration in Washington under the pressure of raised expectations in Israel.

ON SEPTEMBER 14 an article appeared in *The Jerusalem Post* by Sol Stern, which had originally appeared in *The Village Voice*. It attacked Christian evangelicals in the U.S., their political backers and those Jews (intellectuals and others) who have been so misguided as to take their declared support for Israel seriously. Stern's piece is a reply to an article by Irving Kristol, a distinguished political commentator of a conservative bent, on "The Political Dilemma of American Jews" which appeared in the July issue of *Commentary*. It is a pity that *The Post* did not give its readers the opportunity of reading Kristol's measured article but only printed a rejoinder from *The Village Voice* - a journal notorious for its violent criticism of Israeli policy and its sympathy for the PLO.

Kristol, as it happens deals only briefly with the evangelical phenomenon, his major thrust is the swing to the right in American politics and the need for an agonizing re-appraisal on the part of American Jews who have traditionally supported liberal left-wing democrats and their policies. Jews wishing to maintain these loyalties must face the fact that we are no longer living during the Roosevelt and New Deal period; instead we are in the era of Jesse Jackson and anti-Semitic black militancy.

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A new pragmatism

By DAVID BERNSTEIN

FOR ALL THAT, there can be little doubt that the Lebanese log-jam has at last begun to shift, and that prospects for an Israeli withdrawal are today better than they have been at any time since the invasion of Lebanon almost 28 months ago.

The catalyst was undoubtedly the change of government in Jerusalem. Relieved of the need to achieve some tangible gain to offset the enormous human, political and economic losses of the Lebanese misadventure, which totally obsessed the Likud, the new Labour-led government has been able to examine the entire subject of Lebanon with a clarity denied its predecessor.

Accordingly, within days of taking office, the new government has made it known that it is no longer linking an Israeli withdrawal from Southern Lebanon to a parallel Syrian withdrawal from eastern Lebanon - a position, ironically, announced by Foreign Minister Yitzhak Shamir, who as head of a Likud government, would have found it much more difficult to have made so far-reaching a concession to Damascus.

The decision to abandon the linkage principle represents a fundamental reappraisal of what is and what is not possible in Lebanon, formally recognizing for the first time Syria's paramount position in a country where Israel's interests, legitimate as they might be, are plainly subservient to those of Damascus.

The equation could possibly be changed, but then only at the tremendous cost of physically removing Syria from Lebanon - a cost the previous government was plainly unwilling to pay, even though it could not bring itself to draw the logical conclusion from this unwillingness in the way its successor now has.

Damascus, for its part, has shown no readiness to compromise on a position it has held consistently from the start: that Israel's withdrawal from Lebanon must be unconditional, unlinked in any way to a parallel withdrawal of Syrian troops, and should not leave Israel in possession of any tangible "reward" for its invasion.

But it has expressed a readiness to cooperate in achieving this end, both by giving its tacit approval to some

form of agreement between Israel and Lebanon on security in the south, provided only that this does not infringe blatantly upon Lebanese sovereignty, and - according to reports from Beirut and Damascus - by undertaking to prevent a return of the PLO to the areas evacuated by Israel.

FOR ISRAEL, the question now is, having met Syria's condition on the subject of linkage, whether it will also meet Syria's remaining condition that any arrangement in the south has to be consonant, at least formally, with Lebanese sovereignty. This would absolutely preclude any form of overt Israeli presence in Southern Lebanon, and would probably also preclude a major policing role for any Israeli-created and Israeli-backed proxy along the lines of General Antoine Lahad's South Lebanese Army.

The actual job of day-to-day policing of Southern Lebanon, if the Syrian condition is to be met, would have to be left to the Lebanese Army and to Unifil - neither of which, on their past record, is likely to inspire much confidence in Jerusalem.

This poses a tough dilemma for the new government, which undoubtedly accounts for the current mood of extreme caution in both Washington and Jerusalem. But as Syria is no more likely to shift its position on this issue than it has at any time over the past two years, Israel may have little choice but to come to terms with it - unless, that is, it is prepared to perpetuate the current *status quo* or to override Syria's opposition by forcibly challenging its position of paramountcy in Lebanon.

THE PERES-LED government is undoubtedly better able to bow to what would appear to be the inevitable than was its predecessor - as it has already shown, over the question of a linked Syrian and Israeli withdrawal.

The standard Labour position has, in fact, consistently been that Israel does not have to be physically present in Lebanon in order to effectively defend its northern border.

Also, it has consistently been more convinced than the Likud of the effectiveness of unwritten, tacit understandings with the Syrians in

areas where there is an obvious mutual interest in reducing tension.

It has thus already indicated that it is ready to take seriously Syria's reported willingness to take steps to keep the PLO from returning to Southern Lebanon once Israel leaves.

By the same logic, the Peres government is likely to display a better grasp of the "Red Lines" concept that has in the past governed Israeli-Syrian relations in Lebanon. The essence of this concept is that it is informal, not committed to any written document, but simply reflects on the ground the mutual strategic interests of the two sides - Syria's in eastern Lebanon, and Israel's in the south.

Thus, the new government is likely to be less insistent than its predecessors on obtaining written agreement for monitoring facilities in South Lebanon, reconnaissance overflights and so on, relying more on the experience of the past when Syria turned a more or less blind eye to unpublishable, low-profile actions taken by Jerusalem in pursuit of what Damascus has shown it tacitly recognizes as Israel's legitimate security interests.

THE ONE MAJOR point on which the Peres government's thinking still appears to be somewhat out of step with its generally pragmatic perception of what is and is not possible in Lebanon, is its continued insistence on a major role for the SLA in policing the South.

On this point, Syria will not give in - no more than it did on the question of last year's abortive Israeli-Lebanese treaty, which it successfully managed to torpedo, or on the question of a linked withdrawal from Lebanon, which Israel has now conceded. And there can be little doubt that Syria is in a better position than Israel to wait for this final apple to fall into its lap, being under none of the political or economic pressures that are currently making Israel so anxious to get out of Lebanon with the least possible delay.

The new government's apparent commitment to the SLA is the more puzzling in view of the doubts that have been expressed about the effectiveness of that predominantly Christian force to police a largely hostile Shi'a population in the

South. Last month's massacre by soldiers of the force in the Shi'a village of Sukmouh - an event that has been received with shocking equanimity in official Jerusalem - should have sounded the alarm.

There is, however, an outside chance for compromise on the question of the SLA that should be able to meet the demands both of Damascus and of Jerusalem: the force could be restricted more or less to the predominantly Christian strip along the Israeli border policed by Major Haddad's militia prior to the 1982 invasion.

Damascus could just conceivably accept this as a return to the *status quo ante*, and as such not constitute the kind of "reward" for Israel's invasion of Lebanon to which it is totally opposed. And for Israel, the revival of a compact, demographically homogeneous and basically friendly buffer zone immediately adjacent to its northern border could provide a modicum of protection against hostile action against the Galilee settlements by Shi'a fanatics not subject to Syrian control.

IN THE FINAL analysis, the new government's pragmatic approach to Lebanon should enable it to recognize that the situation in the South is considerably different from that which preceded the 1982 invasion, and that the kind of security measures which would not have sufficed when the PLO was firmly established in the region may well suffice today.

Thus, the Lebanese Army and Unifil, in the past largely unable to prevent the deeply entrenched PLO from doing what it pleased in South Lebanon, could well prove adequate in preventing it from returning - particularly if they enjoy the active backing of Syria, which has in the past proven its ability to keep the PLO in check when it suits its purposes.

All this adds up to a better than ever chance that Israel will be out of Lebanon, more or less on Syria's terms, within the foreseeable future. Just how soon depends to a certain degree on Reagan's assessment of his chances of wrapping up an agreement before the U.S. elections in November.

Should Israel and Syria continue to dig in their heels on the question of the SLA, he may well decide to put things on a back-burner until he is safely re-elected. But there can be little doubt that it is now simply a matter of time before the promising signs of the past two weeks begin to gather further momentum.

The writer is the Middle East affairs reporter of *The Jerusalem Post*.

Fundamental friends

By HAROLD FISCH

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among them no doubt elements hostile to Israel and to the Jews, but among the charismatics and dispensationalists for instance we have witnessed over the past few years an extraordinary outpouring of love for Israel, its people and its land. This should not be underestimated or brushed aside. Anyone who has visited their churches and communities or who has seen the celebration of the feast of Tabernacles year by year under the auspices of the International Christian Embassy in Jerusalem knows that we have here something very deep and genuine.

They may be naive and literalist in their beliefs, but if so they are in a tradition of Christian Zionism which includes such figures as the seventh Earl of Shaftesbury, James Finn, Lawrence Oliphant, William Blackstone and William H. Hechler, the friend and supporter of Herzl. Their support has meant something in the history of Zionism; it still means something today. If there are missionaries among them, they do not seem to be having much success

converting the Jews to Christianity but, on the other hand, they are having a good deal of success in converting millions of born-again Christians to Zionism. And that is what matters.

Nor is it only Begin and the "fanatical religious nationalists" of Israel (to use Stern's language) who are prepared to welcome them. A sober analyst like Kristol recognizes their importance. Rabbi Marc Tanenbaum of the American Jewish Committee has for some years pursued a dialogue with the leaders of evangelical Christianity in the U.S. and so have Rabbi Joshua Haberman of the (Reform) Washington Hebrew Congregation and Professor Seymour Siegel of the (Conservative) Jewish Theological Seminary and Dr. Harold Jacobs of the (Orthodox) Young Israel Movement.

Americans may be left alone to figure out who to vote for in this presidential election year. As Israelis we may take an impartial stand on that and welcome support from either party. By that same token we would be guilty of monstrous folly if we wrote off a few million devoted friends of Israel just because their style or their policies do not please the liberal left-wing here or in the U.S.

Professor Fisch teaches English at Bar-Ilan University.

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